

Angola in a changing world

US, UE, China, Russia...and Brazil

Mathias Alencastro, Thursday, 13 Abril

Oil industry has historically defined the place of postcolonial Angola in the international system

Between 1992 and 2014, constant growth in oil industry allowed Angola to develop an ambitious foreign policy

But after 2014 oil prices collapsed. The Angolan economy – heavily dependent on a declining, underfunded oil sector – shrank by a further 4% in 2020 and has not grown since 2015.

To what extent decline of oil industry changed “the calculus of state survival”?
(Soares de Oliveira, 2007)

Angola was Africa's top recipient of Chinese bank loans between 2000 and 2015

Angola tried to frame attempt to cut back on credit from China, which holds nearly 70% of its external debt, as a “domestic policy”

But this was a response to China’s decision to scale back the funding it provides

China has drawn closer to the Paris Club. Going forward, China will be much more selective about the loans it grants

For the Trump administration:

Corruption fight and economic reforms = move away from China

In early 2020, Angela Merkel praised Lourenço's anti-corruption efforts

But oil continues to dominate Eu-Angola relations

Eni, Total leading the latest attempt to revive the Angolan oil industry

Moreover, Luanda is not a prominent actor in the new EU-Africa cooperation framework (late 2020)

Finally, public image heavily damaged by Luanda leaks

In late 2020 the Angolan government requested to defer its exit from the UN group of Least Developed Countries to 2024.

Angola would lose support measures including preferential market access, capacity building and specific funding opportunities, particularly to address climate change.

Despite talks of diversification, the government has recently proposed a bill that would open environmental conservation areas to oil and mineral exploration

Diversification away from oil has never looked more urgent

Angola risks losing more than half of its revenues by 2040 under a low-carbon scenario

Lourenço wanted Germany, Japan and South Africa. But all he got was Russia and Brazil.

Lusophone notion of strategic relevance: Luanda diplomatas believe that Angola is an indispensable regional power

But that notion is changing everywhere: even Brazilian diplomats talk about “going beyond Angola”

Obrigado!

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Brazil-Africa Relations in the 21st Century

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